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DIA, OSD and DOS review(s) completed.

# CONFIDENTIAL!

## GENERAL

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- 1. Deterioration of Yugoslav-Turkish relations—According to US Ambas-sador Wilson, the Turkish Ambassador in Belgrade has informed the Turkish Foreign Office that his Embassy no longer can assure protection of Turkish lives and interests in Yugoslavia.
- 2. Release of former Italian ammunition to Yugoslavs delayed—AFHQ Caserta urgently requests a decision on the turnover of former Italian ammunition in Venezia Giulia to Yugoslavia. The ammunition, which is described as possibly unfit for service and a hazard to lives, was originally awarded Yugoslavia by the War Booty Commission, but the State Department requested that in view of recent developments, delivery be delayed pending further consideration.
- 3. Greece and UK urge delay in UN discussions on Greece—Caffery reports that the Greek delegation has requested US support for a ten-day delay in UN Security Council discussions of the Ukrainian charges that Greece is threatening Balkan peace. US Charge London reports that the British "under no circumstances" want the Security Council to consider the Ukrainian complaint until after the Greek plebiscite on 1 September. The Foreign Office expects that prolonged debate on applications of nine states for UN membership will effectively delay consideration of the Ukrainian note.
- 4. French Communist Minister implies sabotage by US agents—Caffery reports that Charles Tillon, Communist Minister of Armament, in a conversation with a Lockheed official, asserted that he has "incontrovertible proof" of the sabotage of French aircraft by "foreign agents," and apparently intended to imply that US agents were involved. Tillon also charged that the US, in order to facilitate the sale of Constellations, had caused Argentina to cancel a contract for three French flying boats.

### **EUROPE-AFRICA**

5. USSR: Ural tank factory operating at full capacity—General McNarney has learned from a completely reliable source that a factory at Nizhnii-Tagil was producing in May at a capacity rate of 35 tanks per day.

Purge of senior Red Air Force personnel--US Embassy Moscow has heard from a source of unknown reliability that the top echelon of the

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# **CONFIDENTIAL**

Red Air Force is being "drastically weeded out."

- 6. GREECE: Greek reaction to Soviet Ambassador's request for visa--US Ambassador MacVeagh reports that the Greek Foreign Office
  interprets the Soviet Ambassador's request for a visa as an effort to
  disassociate the USSR from the 1 September plebiscite. Greek concern over this request and the recall of the Yugoslav Ambassador is
  shown by the immediate prosecution of newspapers which attack
  Soviet policy.
- 7. FRANCE: Reason for Molotov's walk--According to Caffery, the Soviet Ambassador explained to the French Foreign Office that Molotov left the celebration in honor of the liberation of Paris because he felt that, since the USSR had played the "leading role" in the liberation of France, "he might be better seated than he was."
- 8. IRAN: USSR reported anxious for Azerbaijan-Tehran agreement—US Consulate Tabriz has been told by "one of its best sources" that the Soviet Consul General in Tabriz has instructed the Azerbaijan delegation to Tehran to achieve a complete settlement before returning to Tabriz. The Consulate comments that the USSR apparently is willing to sacrifice Azerbaijan's interests in order to assure implementation of the Soviet-Iranian oil agreement, which is not effective until ratified by the Majlis (elections for which still have not been set). The Consulate added that a "bona fide withdrawal" of Soviet railroad personnel apparently is taking place.
- 9. ICELAND: <u>UK Minister warns against Soviet tactics</u>—The British Minister has told US Legation Reykjavik that he has condemned as "black-mail" Iceland's attempt to obtain a higher price from the UK for its fish by threatening to sell instead to the USSR. The Minister suggested that Iceland "put its house in order" by combating inflation and reducing prices and commented that Iceland was "playing into Soviet hands."

#### **FAR EAST**

10. INDIA: Jinnah may still negotiate -- US Consul General Bombay believes that Jinnah "definitely left the door open" for negotiations in his 26 August statement regarding the interim government.

# TOP SECRET CONFIDENTIAL

British concerned over loyalty of Moslem troops—Us Military Observer New Delhi reports British concern over the loyalty of Moslem troops if used against rioting Moslems. The Viceroy, to offset rumers among Moslem troops that they no longer need to take orders from their officers, has made it publicly clear that the constitutional position of troops is in no way changed.

#### THE AMERICAS

- 11. PANAMA: Panama base deadline approaches—The Commanding General, Caribbean Defense Command, has notified the War Department that if negotiations are not begun prior to 2 September 1946, when the Panamanian Government considers the present agreement terminated, the United States Army will find itself in a position of occupying defense sites in Panama without official justification.
- 12. COLOMBIA: <u>US protests relicensing of German pilots</u>—US Ambassador Wiley has made strong representations to the President and Foreign Minister against the relicensing of four ex-SCADTA (former German airline) pilots as co-pilots for employment by Colombian airlines. The President and Foreign Minister have agreed to investigate the matter.
- 13. BRAZIL: Japanese fanatics plan continued "resistance"—US Consulate Sao Paulo reports that Japanese fanatic leaders, although aware of the reality of the defeat of Japan, hope that their campaign of terror (see Daily Summary of 20 July, item 10) may contribute to keeping alive a "resistance movement."